

# FINANCE UPDATE

## Financial Update Report

7 April 2022

***Please note that the following recommendations are subject to consideration and determination by the Board before taking effect.***

### RECOMMENDATION

#### It is recommended that:

- (a) The Board is asked to note the financial information out turn for 2021/22 as set out in this report
- (b) The Board is asked to note the positive budget position for 2022/23
- (c) The Board is asked to note the planned expenditure within 2022/23 which is subject to the approval of a revised work programme and Business Case

#### I. Background/Introduction

On 21<sup>st</sup> of March 2022 Peninsula Transport received the very welcome news of DfT financial support available for 2022/23 of £585,000 which is a substantial uplift in resources. This is in recognition of all the great work that has been done supporting the Government's objectives in the Peninsula region – and the way in which we have worked collaboratively with the Department for Transport and our delivery bodies as a supportive partner.

The letter also sets out a projection of funding that will be available over the next three years of £1,938,000 to help Peninsula Transport bridge the gap towards becoming a more established STB, profiled as follows:

- 2022/2023: £585,000
- 2023/2024: £649,000
- 2024/2025: £704,000

The Board should note that actual funding will be subject to an approved work plan and good performance over the previous Financial Year.

This funding is to enable Peninsula Transport to help turn the government's flagship policies including (but not limited to) the Williams-Shapps Plan for Rail, the Transport Decarbonisation Plan, Bus Back Better and the Levelling Up-White Paper into action. The letter acknowledges that the two primary roles that our STB plays, namely building and maintaining a transport strategy and using this to provide Government with advice on prioritising investment, will be more important than ever.

The letter also sets out a change in how the funding can be allocated which includes the use of some of this DfT funding to pay for staff, although there are conditions around that regarding provision for redundancy should that event ever occur.

This new announcement of funding over the next three years follows on from, and is in addition to, the DfT grant funding offer of up to £850k in 2020/21 and 2021/22 (i.e. £425k per year over the last two years). Part of the conditions of receiving this funding included the approval of all of the work packages within the agreed programme, which took longer than anticipated. This has meant that, although all the work packages within the programme for 2021/22 have now been agreed and commissioned, some of that work will need to be completed in 2022/23 and this has been agreed with the DfT.

## 2. Proposal

### **Budget Provision 2021/22**

The Financial Contributions for 2021/22 from Peninsula Transport partnership Local Authorities are set out in table I below.

**Table I: Financial contribution for 2020/21 from Local Authorities**

| <b>Name of Party</b>    | <b>Type of Authority</b> | <b>Population</b> | <b>% cost share</b> | <b>Budget</b>   |
|-------------------------|--------------------------|-------------------|---------------------|-----------------|
| Cornwall Council        | Unitary                  | 536,000           | 23.9%               | £38,240         |
| Devon County Council    | County                   | 779,000           | 34.7%               | £55,520         |
| Plymouth City Council   | Unitary                  | 262,400           | 11.7%               | £18,700         |
| Somerset County Council | County                   | 530,00            | 23.6%               | £37,760         |
| Torbay Council          | Unitary                  | 134,400           | 6.0%                | £9,600          |
| <b>Total</b>            |                          | <b>2,241,800</b>  | <b>100%</b>         | <b>£159,820</b> |

There was an accrual from previous years of £418,543

The DfT contribution added a further £331,384

**This made a total budget for 2021/22 of £909,747**

**Table 2 Budget 2021/22**

|                               |                 |
|-------------------------------|-----------------|
| Local Authority contributions | £159,820        |
| Accrual                       | £418,543        |
| DfT contribution 2021/22      | £331,384        |
| <b>Total budget</b>           | <b>£909,747</b> |

### **Budget Provision 2022/23**

The following items will constitute the Peninsula Transport budget for 2022/23:

Local Authority contributions for 2022/23: £159,820 (as per table I above)

Local Authority carry forward from 2021/22: £10,604

DfT work package 2021/22 funding continuing into 2022/23: £426,584

DfT contribution (subject to approval of scope) for 2022/23: £585,000

**Total budget estimated provision for 2022/23 is therefore £1,182,008**

**Table 3. 2022/23 Budget Estimated provision 2022/23**

|                                       |                   |
|---------------------------------------|-------------------|
| Local Authority Contributions 2022/23 | £159,820          |
| Accrual from 2021/22                  | £10,604           |
| DfT accrual from 2021/22              | £426,584          |
| DfT contribution                      | £585,000          |
| <b>Total budget 2022/23</b>           | <b>£1,182,008</b> |

### Work Packages to be delivered in 2022/23

The much welcomed letter from Baroness Vere setting out a three year funding profile has been a very recent item of good news. The priorities within the letter need to be considered for our future programme. Peninsula Transport officers are therefore currently developing a revised work programme for 2022/23 and for the next three years to reflect local and national ambitions for the STB as well as the information and recommendations from our studies completed to date.

The revised programme being developed will need to fit within the resources available. Table 6 below identifies £521,541 for the 2022/23 work programme (subject to STB and DfT approvals). The full Business Plan will be developed between the partnering STB Local Authorities and in consultation with the DfT with the aim of being presented for formal approval at the earliest opportunity.

### Functional and Administrative costs

In addition to the work package costs the administration and staffing costs for 2022/23 are anticipated as follows:

- There are anticipated £74,440 of Functional and communications costs for 2022/23
- There are also anticipated staffing costs of £159,443 in 2022/23

**Table 4. Estimated spend 2022/23**

|                                                    |                   |
|----------------------------------------------------|-------------------|
| <b>Budget</b>                                      | <b>£1,182,008</b> |
| Funding for work packages continuing from 2021/22  | -£426,584         |
| Functional and communications costs 2022/23        | -£74,440          |
| Staffing 2022/23                                   | -£159,443         |
| <b>Remaining budget for work programme 2022/23</b> | <b>£521,541</b>   |

### 3. Summary/Conclusions/Reasons for Recommendations

Board members are asked to note the budget for 2021/22 was £909,747, with an expenditure of £472,559, a provision for the continuation of 2021/22 work packages into 2022/23 of £426,584, leaving a Local Authority funding carry forward into 2022/23 of £10,604.

Board members are asked to note the positive budget position for 2022/23 is £1,182,008 including £585,000 of DfT grant funding, which is subject to the approval of the work packages within the programme.

Board Members are asked to note that a revised work programme and Business Plan is being developed within a budget of £521,541.

Board Members are asked to note that this position is dependent on the Local Authority contributions of £159,820 for 2022/23 as set out in Table 1 above.